

Message Text

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PAGE 01 BRISBA 00170 160529Z

ACTION EA-09

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06

SP-02 LAB-04 EPG-02 SIL-01 OMB-01 PA-02 PRS-01

INT-05 L-03 H-02 PM-04 NSC-05 SS-15 OES-07

ERDA-07 FEA-01 /117 W

-----160609Z 014012 /20

R 160358Z MAY 77

FM AMCONSUL BRISBANE

TO SECSTATE WASHDC 0933

INFO AMEMBASSY CANBERRA

AMCONSUL SYDNEY

AMCONSUL MELBOURNE

AMCONSUL PERTH

AMEMBASSY TOKYO

UNCLAS BRISBANE 0170

E.O. 11652: N/A

TAGS: ESTC, AS

SUBJ: COAL SALE TO VIETNAM

1. PRESS STORIES OF SALE OF COAL TO VIETNAM, MINED BY THE UTAH DEVELOPMENT CORPORATION (UDC) AND SOLD BY MITSUBISHI AUST. LTD., APPEARED IN BRISBANE SUNDAY MAIL MAY 15 AND IN AUSTRALIAN FINANCIAL REVIEW MAY 16.

2. SUNDAY MAIL PAGE ONE LEAD SAID: "TWO CONSIGNMENTS OF UTAH COAL FROM THE CENTRAL QUEENSLAND BLACKWATER MINE WERE SHIPPED DIRECT FROM GLADSTONE TO HANOI IN MARCH WHILE AN AMERICAN TRADE EMBARGO ON VIETNAM WAS IN FORCE." ARTICLE STATED SALE OF 21,357 TONNES OF COKING COAL WAS MADE BY JAPANESE TRADING FIRM, MITSUBISHI. A UTAH SPOKESMAN WAS REPORTED TO HAVE STATED THAT UTAH WAS AWARE OF THE DESTINATION OF THE COAL BUT DID NOT CONSIDER THE SALE WAS CONTRAVENING UNITED STATES TRADE BAN WITH VIETNAM. THE ARTICLE ALSO UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BRISBA 00170 160529Z

NOTED THAT AMERICAN CONSULATE IN BRISBANE SAID THAT THE MATTER HAD BEEN REFERRED TO THE EMBASSY IN CANBERRA.

3. FINANCIAL REVIEW ALSO LED WITH PAGE ONE FIVE COLUMN ARTICLE: "UTAH RED-FACED AT POSSIBLE US STRATEGY BREACH". ARTICLE GOES INTO GREAT DETAIL ON TRANSACTION AND INDICATED UTAH WAS WERIOUSLY EMBARRASSED BY SALE WHEN US GOVERNMENT STILL HAS

COMPLETE EMBARGO ON THE SALE OF STRATEGIC MINERALS, INCLUDING COAL TO THAT COUNTRY. ACCORDING TO UTAH SPOKESMAN, HOWEVER, THE SALE TO MITSUBISHI WAS "A NORMAL TRANSACTION" AND THE RESALE TO VIETNAM WAS WITH THE FULL KNOWLEDGE AND APPROVAL OF AUSTRALIAN GOVERNMENT. REPORTER MAKES EDITORIAL COMMENT THAT "IT SEEMS LIKELY THAT UTAH, EVEN THROUGH AN INDIRECT SALE TO VIETNAM DID NOT DIRECTLY CONTRAVENE THE LETTER OF THE EMBARGO BUT CERTAINLY OKE ITS PRINCIPLE AND THEREFORE US FOREIGN POLICY". ARTICLE CONTAINS SEVERAL REFERENCES TO AMERICAN CONSULATE IN BRISBANE:

A. CONSULATE DID NOT KNOW OF DEAL

B. CONSULATE WAS IN CONTACT WITH UTAH TO FIND OUT DETAILS

C. CONSULATE HINTED THERE WAS NOTHING WRONG WITH TRANSACTION BUT INDICATED THIS WAS ONLY OPINION AND NOT LEGAL STATEMENT.

D. CONSULATE SAID THAT US TREASURY REGULATIONS COULD COVER (THIS TYPE OF TRANSACTION) BUT DID NOT HAVE COPY OF THESE REGULATIONS.

4. UTAH RELEASED PRESS RELEASE ON MAY 13 WHICH READS:
"UTAH IS AWARE OF THE SALE OF A SMALL AMOUNT OF QUEENSLAND COAL TO VIETNAM. IN MARCH OF THIS YEAR, UDC SOLD A TOTAL OF 21,357 TONNES OF ITS BLACKWATER COAL TO MITSUBISHI AUST. LTD. OF SYDNEY ON AN FOB BASIS. UDC UNDERSTANDS THAT THIS COAL WAS EXPORTED BY MITSUBISHI TO VIETNAM IN TWO SHIPMENTS ONE ON MARCH 5 AND ONE ON MARCH 25, WITH THE FULL KNOWLEDGE AND UNCLASSIFIED

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PAGE 03 BRISBA 00170 160529Z

APPROVAL OF THE AUSTRALIAN GOVERNMENT. UDC POINTS OUT THAT THE SALE OF COAL TO MITSUBISHI IS BY NO MEANS ABNORMAL".

5. CONSULATE WAS IN CONTACT WITH REPORTERS OF BOTH NEWSPAPERS ON MAY 13. POINTS A, B AND D OF PARA 4 ARE BASICALLY CORRECT. HOWEVER, POINT C. DISTORTED SINCE IN RESPONSE TO DIRECT QUESTION, REPORTER WAS INFORMED THAT CONSULATE HAD NO WAY OF KNOWING WHETHER TREASURY DEPARTMENT FOREIGN ASSETS CONTROL REGULATIONS WOULD APPLY OR NOT BECAUSE WE HAD BEEN UNABLE TO LOCATE COPY EITHER HERE OR IN CANBERRA.

6. WHILE WE DO NOT ANTICIPATE ANY FURTHER PRESS QUERIES ON THIS STORY, POST WILL STATE IF ASKED THAT WE ARE AWARE OF SALE BUT ARE NOT IN A POSITION TO COMMENT ON ITS RELATION TO US LAWS AND REGULATIONS. WE WOULD HOWEVER APPRECIATE DEFINITIVE PRESS GUIDANCE FROM THE DEPARTMENT.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COAL, SALES, PRESS COMMENTS, STRATEGIC TRADE CONTROLS, ALLEGATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 16-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770172-1162
Format: TEL
From: BRISBANE
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770555/aaaabuuv.tel
Line Count: 114
Litigation Code IDs:
Litigation Codes:
Litigation History:
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Message ID: 0e2f4693-c288-dd11-92da-001cc4696bcc
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Original Classification: UNCLASSIFIED
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Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Retention: 0
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Review Exemptions: n/a
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Review Release Date: n/a
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Review Withdrawn Fields: n/a
SAS ID: 2510812
Secure: OPEN
Status: NATIVE
Subject: COAL SALE TO VIETNAM
TAGS: ESTC, AS, UDC, MITSUBISHI AUST LTD
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/0e2f4693-c288-dd11-92da-001cc4696bcc
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